

**BUDGET COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE**

Minutes

A regular meeting of the Budget Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislative Building, Veterans Highway, Smithtown, New York on Tuesday, **June 4, 2002**.

Members Present:

Legislator Michael Caracciolo - Chairman
Legislator David Bishop - Vice-Chairman
Legislator Andrew Crecca

MEMBERS NOT PRESENT:

Legislator Jon Cooper - Excused Absence

Also In Attendance:

Paul Sabatino II - Counsel to the Legislature
Jim Spero - Deputy Director of Budget Review
Ken Weiss - County Exec's Budget Office
Ken Knappe - County Exec's Budget Office
Bill Faulk - County Exec's Office
Lance Reinheimer - Budget Review Office
Richard LaValle - DPW
Lorraine Hickey - DPW
Eleanor Smith - CSP
All other interested parties

Minutes Taken By:

Donna Barrett - Court Stenographer

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(*THE MEETING WAS CALLED TO ORDER AT 2:00 P.M.*)

CHAIRMAN CARACCIOLO:

Can I have everyone's attention. Would you please rise for the Pledge of Allegiance to led by Legislator Crecca.

SALUTATION

CHAIRMAN CARACCIOLO:

Thank you. Are there -- there anyone in the audience that would like to address the committee?

LEG. BISHOP:
Good. Excellent.

CHAIRMAN CARACCIOLO:
Okay. We'll go right to today's agenda. Does any member of the committee wish to address any of the previously tabled resolutions? I should note for the record that Legislator Jonathan Cooper has been granted an excused absence.

LEG. CRECCA:
No.

CHAIRMAN CARACCIOLO:
Hearing none, we'll go to today's Introductory Resolutions.

LEG. CRECCA:
On 1568, I believe there were corrections made. I just wanted to confirm that Counsel if could pass over that until Counsel gets in the room.

CHAIRMAN CARACCIOLO:
Okay. Mr. Weiss, would you -- I didn't want you to get too comfortable back there, Ken. All right. And Linda, perhaps you could have Legislative Counsel join us.

TABLED RESOLUTIONS

1196-2002. Amending the 2002 Adopted Operating Budget appropriating funds for the Vocational Education and Extension Board. (VEEB)
(HALEY)

CHAIRMAN CARACCIOLO:
We have tabled 1196 before us.

LEG. BISHOP:
Motion to table.

LEG. CRECCA:
Second.

CHAIRMAN CARACCIOLO:
Motion to table by Legislator Bishop, seconded by Legislator Crecca.
All in favor? Opposed? Abstentions? Unanimous.
TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

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1197-2002. Amending the 2002 Adopted Operating Budget appropriating funds for the Police Athletic League. (HALEY)

CHAIRMAN CARACCIOLO:

Same motion on 1197, same second. All in favor? Opposed?

Abstentions? TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1198-2002. Amending the 2002 Adopted Operating Budget appropriating funds for the North Shore Youth Council. (HALEY)

CHAIRMAN CARACCIOLO:

1198, same motion, same second, same vote. TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1199-2002. Amending the 2002 Adopted Operating Budget appropriating funds for the Nature Conservancy. (HALEY)

CHAIRMAN CARACCIOLO:

1199, same motion, same second, same vote. TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1200-2002. Amending the 2002 Adopted Operating Budget appropriating funds for the Nature Conservancy. (HALEY)

CHAIRMAN CARACCIOLO:

Same motion, same second, same vote. TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1201-2002. Amending the 2002 Adopted Operating Budget appropriating funds for the Lifeline Meditation Center. (HALEY)

CHAIRMAN CARACCIOLO:

1201, same motion, same second, same vote. TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

INTRODUCTORY RESOLUTIONS

1587-2002. Amending the 2002 Operating Budget transferring funds for the New York State Fishing and Tackle Trade Association. (TOWLE)

LEG. BISHOP:

1587, motion to table.

CHAIRMAN CARACCIOLO:

1587, motion to table by Legislator Bishop, seconded by the Chair.

All in favor? Opposed? Abstentions? Unanimous.

TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1590-2002. Amending the 2002 Operating Budget transferring positions from the Department of Public Works to the Police Department. (POSTAL)

CHAIRMAN CARACCIOLO:

1590, motion to table. Same motion, same second, same vote.
TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

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We will now take up 1568.

LEG. CRECCA:

If we can -- I'm sorry, I know you just finished 1590. I wanted to hear from the Budget Director if possible on --

CHAIRMAN CARACCIOLO:
On 1590?

LEG. CRECCA:

Yeah. I started to talk to him a little before the meeting about it, and I didn't get to finish so. I apologize.

MR. WEISS:

Thank you. Actually, there was a couple of different things I wanted to speak about. One, I'm aware that the Chairman had asked for a status on pay-as-you-go, and I prepared a schedule that I thought would be helpful for the committee. If everybody has it, I'd like to explain it. The budget for pay-as-you-go in 2002 Adopted Budget was 1,328,000. Two resolutions have passed the Legislature, and a total of 420,989 leaving a free balance of 907,011. The Executive submitted resolutions totaling a 1,000,036. We actually submitted the resolution before 476 was passed. When we did it, there was sufficient funds. Plus there's an additional 415,000 of Legislative resolutions. And I thought maybe just putting it all in one schedule so that you realize -- I mean, you can't pass more than 907,011 from any combination of what we've submitted and what you've submitted. That's -- that's pay-as-you-go in general. If there is no questions on that, I'll move onto 1590.

LEG. CRECCA:

Kenny, I have one quick question. You're saying there's \$907,000 left in pay-as-you-go.

MR. WEISS:

Yes. But there are, as you can see, resolutions totaling almost a million and a half dollars.

LEG. CRECCA:

Right. But those haven't been passed yet.

MR. WEISS:

That's correct. That's correct.

LEG. CRECCA:

So if we pass them all, we're certainly oversubscribing pay-as-you-go. We couldn't do it.

MR. WEISS:

Right. You couldn't do it.

LEG. CRECCA:

Okay. Okay. I just wanted to make sure I understood the numbers.

CHAIRMAN CARACCIOLO:

Ken, before you go further, I appreciate that answer as well. Are you

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familiar with 1594?

MR. WEISS:

1594.

CHAIRMAN CARACCIOLO:

That amends the 2002 budget by appropriating funds for various contract agencies. It's been introduced by Legislator Guldi.

MR. WEISS:

Right.

CHAIRMAN CARACCIOLO:

Okay. And that uses Social Security account as an offset.

MR. WEISS:

Yes.

CHAIRMAN CARACCIOLO:

How does that Social Security account offset differ from previous discussions where efforts have been made by those who wish to amend that budget tapping into that account?

MR. WEISS:

I was told that when the Omnibus was prepared, that extra funds were put in for certain specific to be available to be transferred. So there is a certain amount of money in there.

CHAIRMAN CARACCIOLO:

Do you know what that amount is?

MR. WEISS:

I don't have it off the top of my head, but at the time, I thought it was 200,000, 400,000 -- I don't know.

CHAIRMAN CARACCIOLO:

I thought it was \$2 million.

MR. WEISS:

No. No. No. No. No.

CHAIRMAN CARACCIOLO:

That's what I had been informed.

MR. WEISS:

No. Absolutely not. The most it was \$400,000.

CHAIRMAN CARACCIOLO:

Does Legislative Counsel have a recollection when the budget was being --

MR. SABATINO:

It was an odd number, but I think it was in the \$400,000 range.

MR. WEISS:

I think it was 425,000. It was --

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MR. SABATINO:

It was a weird number, but it was --

LEG. CRECCA:

It was -- it was around -- again, I don't know the exact figure, but I know that what he's saying is I remember too because I had dealt with this right after too when we were doing the budget, and there was an extra -- originally, I thought there was an extra 200,000, but I think it was 400 and change.

CHAIRMAN CARACCIOLO:

Okay. The reason why I bring this -- two reasons why I bring it up, Ken. Is there any implication if the County were to do an Early Retirement Incentive in terms of employees terminating and Social Security retirement contributions? Is there any relationship there?

MR. WEISS:

Well, I think based on the timing of the Early Retirement that will be in front of you at the next meeting, that would -- that would -- that would be a wash. The -- the SCAT pay, which stands for something, I don't what SCAT pay stands for, but the termination pay would probably be equal to what the salaries were. I think in Fred's analysis that I just got a chance to look at briefly today, and the analysis we had done, 2002 is almost a wash. So if we didn't have an Early Retirement, the salaries would be, you know, as budgeted, and the Social Security would be as budgeted. And if there is an Early Retirement, it would be the same, because people that are leaving with termination pay that haven't earned the 84,400 or whatever the cut off

is would use up the Social Security. If we had an earlier Early Retirement, and we had hoped the state would pass an Early Retirement early in the session, and we could have offered it early in the year, then we would have had Social Security savings for this year. Next year's a different story, but next budget hasn't been formulated yet.

CHAIRMAN CARACCIOLO:

Okay. So just staying with that issue or theme for a moment, the Early Retirement Incentive, and I just saw a copy of the report, I haven't had a chance to look at this, what is your sense of the financial impacts if the County were to favorable consider letting all or perhaps a number to be determined of employees based on perhaps position, title and need participate in this program?

MR. WEISS:

I -- like I said, I had a chance to read Fred's report this morning at the Finance Committee Meeting, and the numbers he came up with were very, very similar to what we came up with. You know, we both started with an assumption that 500 people would leave, and that there would be zero backfills. And if you looked at our numbers, we're within, you know, a couple of hundred thousand dollars of one another. Fred went one step further in his report and assumed that 20% backfill rate. In our fiscal impact statement, we included a zero backfill rate, but if you looked at the -- the notation on the bottom, because at that time we hadn't formulated a policy, but the 20% is something that we've been talking about in the Executive's Office, and it's something that Fred has in his report. So we're in agreement that the savings for 2003 are in the neighborhood of 15, \$16 million.

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CHAIRMAN CARACCIOLO:

Okay. I read in today's paper that Nassau County one the three planks that Mr. Suozzi id lobbying Albany for is, you know, participation in the Early Retirement Incentive.

MR. WEISS:

He got it. I don't know why he's lobbying anymore. It was misleading the article. I read the same thing.

CHAIRMAN CARACCIOLO:

Right. And it talks that about that over a four year period participation and use of that -- that program would save the County of Nassau like a hundred million dollars. And i see in our case over the same four year period, it's projected here based on your estimates, \$120 million versus the Budget Review estimates which were a little different. But that said, what are the assumptions that are included in a \$120 million cost savings?

MR. WEISS:

Well, the 120 was zero backfill, but that was --

CHAIRMAN CARACCIOLO:

Zero. Is that realistic?

MR. WEISS:

No. No, it's not. We agree that 20 % -- a 20% backfill rate is probably a realistic number.

CHAIRMAN CARACCIOLO:

And does that factor in pending and perhaps future state impacts, which we cannot even foresee next year. The state is in very serious financial condition, and that's said, as we have witnessed at local government levels before, when the state has those types of experiences, they tends to shift the burden to localities. And having been here through that period some ten years ago, would you agree that it's reasonable to assume next year we are going to see the inclusion of -- of state cost shifting?

MR. WEISS:

It's -- it's a trend that's been in place, besides the addition of Band Aides that the state has placed on, you know, our Medicaid is impacted by things such as Family Health Plus, Child Health Plus. So there is a trend for the state, in this case not to be shifting cost, but just to be adding costs to the County.

CHAIRMAN CARACCIOLO:

Do you have any preliminary estimates based on this year's state approved budget what -- what the financial -- additional financial impacts may be on the County of Suffolk?

MR. WEISS:

We -- we were pretty good as far as estimating what they would do to us in the 2002 Budget. I think our -- our Social Service costs are pretty good for 2002, and looking forward at the models that Fred and I worked on for 2003, we're probably pretty good. As far as trying to figure what else they might do to us in next year's budget, you know,

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it's -- it's difficult to guess because you never know what they're go to do.

CHAIRMAN CARACCIOLO:

Did the new state budget include or authorize any additional revenues for the County?

MR. WEISS:

There was a \$50 FTE for the Community College. They continued for another year the County -- County Revenue Sharing, which is just giving us a part of the Family Health Plus costs. We -- we -- I don't -- I don't know how much it's worth yet, but they did switch the

preventive foster care from a block grant to a 65% reimbursement. You know the department's going to have to look at that and figure out how much it's worth. That could be worth some money. We're may have to shift around how we -- how we provide services in Social Services to maximize reimbursement, but we might get some money there. But, I mean, we didn't get FYT back, we didn't the get chips money back.

CHAIRMAN CARACCIOLO:

In terms of the overall state budget, does it have a positive or negative impact?

MR. WEISS:

Negative.

CHAIRMAN CARACCIOLO:

A negative. And to what extent?

MR. WEISS:

Probably Medicaid, you know, due to the, you know, Family Health Plus and the new -- I don't what the buzz word for that new health initiative that the state passed. You remember what it's called?

MR. SABATINO:

Child Plus.

MR. WEISS:

No. No. It's the new one where they -- where they --

MR. SABATINO:

That's Pataki Plus.

MR. WEISS:

Where the health workers are getting --

MR. SABATINO:

I don't know. I can't think of the name for it.

CHAIRMAN CARACCIOLO:

So on a net -- net basis --

MR. WEISS:

It's going to cost us money, but we -- we -- I , you know -- Fred and I anticipated most of what happened.

CHAIRMAN CARACCIOLO:

So we made provision in our adopted budget for state cut backs?

MR. WEISS:

'02. '02, yeah.

CHAIRMAN CARACCIOLO:

Okay. So there's no --

MR. WEISS:

I think we're good in '02.

CHAIRMAN CARACCIOLO:

I'm sorry?

MR. WEISS:

I think we're good in 2002. But looking forward, I mean, you know, depending on how many people take advantage of Family Health Plus.

CHAIRMAN CARACCIOLO:

Okay. But you're -- you're now beginning -- or well on your way, I should say, you've already received back, I believe, the department requests, budget requests, for next year.

MR. WEISS:

We got some of them. We didn't get -- we didn't get a lot on that.

CHAIRMAN CARACCIOLO:

So as you prepare the budget for presentation to the Legislature in September, at this juncture what do you anticipate will be net cost in -- net County cost for operations in 2003 versus 2002?

MR. WEISS:

I don't know if I can give you that number. I know that we were looking at a gap, which we think we can close with the early retirement. I mean, it was like a \$20 million gap.

CHAIRMAN CARACCIOLO:

So at this point, it looks like there will be a \$20 million shortfall in anticipated revenue versus --

MR. WEISS:

No. That would be a -- you know, just looking at all the revenues, all the expenses, and assuming a cost to continue budget, you know, assuming we're doing everything we're doing going forward, we would have a 20 -- \$25 million gap.

CHAIRMAN CARACCIOLO:

Okay. But when you say a cost to continue budget, next year you have salary increases, some of which --

MR. WEISS:

That's considered cost to continue.

CHAIRMAN CARACCIOLO:

No, I know. But you have contracts that have -- are yet to be

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negotiated.

MR. WEISS:

No. They are all in place for next year. With the exception of the deputies -- the Deputy Sheriffs, which is a small contract, they are all in place for next year.

CHAIRMAN CARACCIOLO:

Okay. So all of the uniformed serviced have contracts through 2003?

MR. WEISS:

Let me clarify that. The PBA does.

CHAIRMAN CARACCIOLO:

Right.

MR. WEISS:

For budgeting purposes, we assume the SOA and the detectives will get the same award as the PBA, and that's figured in our numbers for next year. The correction officers have a contract, AME has a contract.

CHAIRMAN CARACCIOLO:

College faculty?

MR. WEISS:

College faculty has a contract. I think the only one is the Deputy Sheriffs that don't have a contract.

CHAIRMAN CARACCIOLO:

Okay. So then going back to this report and the \$120 million in four year projected savings, that number would have to be adjusted downward if you permitted 20% backfilling, and what would that number be? Is that realistic? Limiting it to just 20%, is that realistic?

MR. WEISS:

Well, 20% in dollars, that's -- there's a big difference between -- I'm just going to use an example. What a head clerk -- a head clerk is somebody that started in the County as a clerk typist, and through the years, has worked, you know, it could be somebody that's been here 30, 40 years and worked their way up, and I don't remember off the top of my head what grade it is, but -- grade 18? Okay. If you hired somebody as a clerk typist to do similar work, that person would come in probably at a third or maybe even less than what it costs for the person leaving. So by hiring entry level people, by hiring people -- b looking at the positions and saying, okay, we're going to take this position which, is a senior something and make it -- and knock it down, you know, by looking at all those things, which we've done in

previous Early Retirements, you know, we've proven that we can -- we can save money with an Early Retirement.

CHAIRMAN CARACCIOLO:

But how do you effect services and operations? I mean, that's one part of equation, but then we have a responsibility to provide services to the public, whether it be Parks, Health Department, Public Works, you know, and of the larger department. And we have a seen a tremendous amount of attrition in those areas. And there is a

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learning curve to replace a number of these mid-management and upper-management positions. So, I mean, quality of services could suffer if we just went along with the wholesale Early Retirements Incentive. True or false?

MR. WEISS:

Well, each department has to manage their resources. You know, departments -- departments lose people all the time. I mean, I was just talking to the Chief of Police, and he mentioned that they loose -- they expect to lose between 80 and 90 officers this year, you know. So it's a continuing thing. They have to -- I'm sure the experienced officers that are leaving have, you know, have a lot of experience. And the new rookie coming in, you know, doesn't, but that's, you know, just part of, you know, just part of --

CHAIRMAN CARACCIOLO:

Being familiar with the Police Department, I can tell you unlike other departments, there's a certain amount of work performed that is kind of seamless from one assignment to another. Where you might have some quality loss is if you all of a sudden had a significant number of investigators leave, and you had to train personnel to replace them, there would be a learning curve, and you might not have the quality of investigations that you had until such time as the next cadre was able to gain the experience that their predecessors had. But when you look at some of the other departments, where there are very specific job titles and training and experience that goes with them, you don't have that cross training capability as readily. And it does take -- we were talking this morning, for example, in Social Services about CPS worker. We have traditionally seen a high turnover rate of those individuals by the very nature of their assignment, their pay schedules, and other factors. So in terms of a developing a master plan for the four or 500 employees that may take advantage of a retirement incentive, is there -- is there any consideration being given to how you would replace these personnel and not just sign a blank check and say, here's some additional, you know, bonus to retire, which is good for the employee? But we have a broader responsibility to make sure that the public receives the same quality of services and timely services.

MR. WEISS:

I mean, we've had I don't know how many Early Retirements Programs, maybe five --

CHAIRMAN CARACCIOLO:

I'm sorry, Ken, what was that?

MR. WEISS:

I think we've had maybe five Early Retirements Programs. And, you know, what we've found is that, you know, we're able to continue to provide services. We've had temporary and temporary could be two, three, four years of reduced costs. If you looked at a chart of salaries, and you just, you know, instead of it being a straight line going up, it would be -- it would like the Stock Market is these days; up a couple of days, then down. When you have an Early Retirement, you have some savings, and then it continues to go up. What the Early Retirement has done for us is allowed us to have those savings. We're

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at the point looking at the 2003 Budget where we have to come up with some -- some saving, 20, \$25 million in savings.

CHAIRMAN CARACCIOLO:

Wait. Let me stop you there. You're saying as you look ahead to prepare next year's budget, you at this juncture have identified the need to in cut about 20 to \$25 million in County expenditures.

MR. WEISS:

Right.

CHAIRMAN CARACCIOLO:

Okay. You said savings, I'll say expenditures, same thing. That said, how do you propose to do that in terms of --

MR. WEISS:

Well, the Early Retirement's worth 15, 16 million. And --

CHAIRMAN CARACCIOLO:

Okay. That accomplishes the cost saving aspect of it. In broader -- in a broader sense, how do you address the delivery of services to the public that pay high taxes to make sure that they receive the service that they need?

MR. WEISS:

Well, that -- that's why, you know, what you have to do is look at a backflow policy. What you have to do is -- is bring the departments in once they have a plan. I mean, now if -- if you ask the department how many people in your department are going to retire, nobody can tell you. Because people keep that information close to the vest until the day they file their papers. So it's only when it's all said

and done, the smoke clears, then you bring in the departments on an individual basis, you meet with them, figure out what's their plan. You know, maybe there's some services that are low priority, that don't have to be continued. You know, certain departments are going to require a higher backfill rate than others. So that all has to be looked at. It's part of managing the, you know, the County's resources.

CHAIRMAN CARACCIOLO:

In the past when individuals have taken advantage of Early Retirement, some have come back on a consultant basis.

MR. WEISS:

I'd say very few, but, yeah.

CHAIRMAN CARACCIOLO:

In terms of -- of the overall personnel side of the budget, you can quantify if you know, if you don't know, let me know, how many personal service contracts do we have in existence of people who have left early -- left County service either to early retirement or otherwise, you know, service retirement, that have -- that are back on the County payroll as a consultant?

MR. WEISS:

I don't know, but if I had to guess, I'd say it's less than a couple

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of dozen.

CHAIRMAN CARACCIOLO:

Individuals. But if you had to quantify that in dollars, how much would it be?

MR. WEISS:

Well, there's a limit. I mean, most people are limited to \$20,000 or, you know, some kind of -- some kind of escalator, but it's like a \$20,000 -- it's -- I don't think it's a significant part of our budget.

CHAIRMAN CARACCIOLO:

Do we have anyone who's come back after retiring with an exemption that's allows them to make in excess of 20,000?

MR. WEISS:

Not that I'm aware of. I mean, it's possible, but I wouldn't -- I'm not aware of it.

CHAIRMAN CARACCIOLO:

Okay. Well, we obviously have to digest this report. Is there -- is there a time that the Legislature has to take up this proposal and

vote on it?

MR. WEISS:

Well, there's a -- there's a public hearing on June 11th.

CHAIRMAN CARACCIOLO:

So it would be eligible any time after that, but, I mean, is August 31st that the employees have to file for retirement, Paul?

MR. SABATINO:

For this particular plan, they're using an open date of June 24th. So realistically, in order to -- in order to trigger that date, you really would have to approve it on June 11th. If you don't approve it on June 11th, then you have to go with a different window period. I think the latest you could something would be to vote on it September --

MR. WEISS:

No. The law says you have to -- that the Legislature has to pass it by August 31st. But the, you know, the BRO report in our analysis is based on as early as possible. We would like to have everybody off the payroll by the end of August so that we can deal with it in the budget. If it goes beyond August, we can't -- you know, we can't, you can. But there's less savings. The longer you have a window to go, the less savings there are.

CHAIRMAN CARACCIOLO:

Okay. Some of these departments could be very severely impacted. You know, Sheriff's Department, Real Property Tax Services, Probation, 41 1/2% of the employee work force there is eligible.

MR. WEISS:

But that's eligible, which means that, you know, there's always -- the

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last time which had an Early Retirement Program there were approximately 2500 eligible, 488 took it. So one out of five took it. So, I mean, if one out of five of the 41 in Probation took it, you know, you'd have eight.

CHAIRMAN CARACCIOLO:

The BRO report that identified \$120 million in -- in -- actually five year savings, is based on what, 500 employees retiring?

MR. WEISS:

No. Both of our reports said it's \$120 million savings in five years if there were no backfills. The BRO report, when they put their numbers together assumed a 20% backfill. We agree we their calculations. That would be a \$40 million savings over a five year period.

CHAIRMAN CARACCIOLO:

Let me ask you this. Doesn't that assume that payroll costs remain static for the next five years, which is not the case? You have salary increases over the next five years, and when you factor those in --

MR. WEISS:

We have that built in.

CHAIRMAN CARACCIOLO:

That's built in?

MR. WEISS:

We have assumptions of what the, you know, the salary increases would be.

CHAIRMAN CARACCIOLO:

Yeah. But we have, for example little or no control over police arbitration awards, so I don't know what kind of assumptions you're making --

MR. WEISS:

But police aren't involved in this remember.

CHAIRMAN CARACCIOLO:

Okay. So police and sworn personnel -- and I see Budget Review does not recommend that this program be offered to other uniformed services like --

MR. WEISS:

Can't be. The state didn't -- the state didn't --

CHAIRMAN CARACCIOLO:

Okay. So the only ones eligible would be members of the New York State Employees Retirement System, the ERS System.

MR. WEISS:

Right. Right.

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CHAIRMAN CARACCIOLO:

Okay. So you're saying that there would be -- with a 20% backfill, there would be a savings of how much over the next five years.

MR. WEISS:

Forty million.

CHAIRMAN CARACCIOLO:

And that's including future payroll cost increases?

MR. WEISS:

I'm sorry.

CHAIRMAN CARACCIOLO:

I find that hard to believe.

MR. REINHEIMER:

Actually, if you figured in future -- future payroll increases, the savings would be greater. We assume that the person leaving today, the savings is based on their salaries as of today. We didn't factor in salary increases, because that would inflate the savings. If the person was left on the payroll, they would have gotten raises, and if we took them off the payroll, figuring those raises into a reduced salary cost.

CHAIRMAN CARACCIOLO:

But if you have a work force of 10,500 employees versus 11,000 -- I'll just use those numbers, because we have roughly about 11,000 -- well, in this case we don't have 11,000 because you have to subtract uniformed services, so you go with 7700 approximately, right?

MR. REINHEIMER:

Correct.

CHAIRMAN CARACCIOLO:

So if you have 7700 employees that are members of AME, the college and what other bargaining units?

MR. REINHEIMER:

Well, there's exempt employees, employees of Board of Elections, that would be the bulk -- well, Deputy Sheriffs, Corrections Officers are all --

CHAIRMAN CARACCIOLO:

I thought they were -- they were not -- they didn't qualify.

MR. REINHEIMER:

No. No. They're in the Employees Retirement System, they're not in the Police Retirement System. They are covered by this state law.

CHAIRMAN CARACCIOLO:

Okay. All right. So that said, if the current payroll for those bargaining units is what, about \$600 million a year?

MR. REINHEIMER:

For all those bargaining units?

CHAIRMAN CARACCIOLO:

For just those bargainers, not counting the police. I see a nod in the affirmative back there. I know these numbers pretty well. I haven't looked at them in the last six months, but I think I'm in the ballpark.

MR. REINHEIMER:

For illustrative purposes, 600,000 --

CHAIRMAN CARACCIOLO:

Six hundred million. Okay. So if we have a work force --

MR. REINHEIMER:

Okay. It's somewhere 4,000,000 -- 400,000,000.

CHAIRMAN CARACCIOLO:

Four hundred million, excluding the uniformed services. Okay. So if we have 400,000,000, for approximately 7700 employees, the last time I did that number, the average county employee compensation, and this is a me number, was about 45,000 a year.

MR. REINHEIMER:

Okay. Our numbers are based on the number of employees that would be eligible for this retirement.

CHAIRMAN CARACCIOLO:

Right, under the ERS.

MR. REINHEIMER:

Well, under this early retirement, those that are eligible, the average salary for those individuals is \$59,000.

CHAIRMAN CARACCIOLO:

Okay. Here's -- here's what I'm trying get at. If we have 7700 employees and a payroll of \$400,000,000 today, and the assumption is that we only backfill 20% of the anticipated 500 -- and we don't know if it's only 500, it could be a thousand, it could be all 2383 who are eligible -- so the first question is how do we deal with the situation, if we offer this incentive, and more than what's anticipated take advantage of it, and what kind of a drain does that put on program and services? So let's start there.

MR. REINHEIMER:

Okay. You're talking about the drain on programs and services.

CHAIRMAN CARACCIOLO:

Correct.

MR. REINHEIMER:

I think maybe the County Executive's Office would be better qualified to answer that.

CHAIRMAN CARACCIOLO:

Yeah, because we can't tell an eligible employee if we adopt this legislation, sorry you can't leave, can we?

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MR. WEISS:

Right.

CHAIRMAN CARACCIOLO:

Okay. All right. So how do we deal with that possibility and it's a remote possibility perhaps, but it is a possibility. Well, let me -- let me be more realistic. It's not the total of 2383, it's -- it's -- there's a 50% -- if there was a 50% participation rate, Ken --

MR. WEISS:

Yeah.

CHAIRMAN CARACCIOLO:

-- how would we deal with it if there was a 50% participation rate, instead of 500, you know, there was 1150 that participated?

MR. WEISS:

Well, one, you'd have the opportunity for more savings, and two, you could -- you could backfill more. I mean --

CHAIRMAN CARACCIOLO:

You're looking at it from a bean counter's stand point, and I appreciate that.

MR. WEISS:

That's what I am.

CHAIRMAN CARACCIOLO:

I have to look at it from the delivery of programs and services.

MR. WEISS:

I do budgets.

CHAIRMAN CARACCIOLO:

I understand that.

MR. WEISS:

I'm looking at a budget, and I'm looking at a gap, and I'm saying, one way to fill this gap is to have an Early Retirement Program, which could save us approximately 15, \$16 million in 2003 with carryover savings into 2004. Now, if more people left, and we said, okay, our goal is to save \$15 million then you could almost have a 100% backfill rate for those additional people. If 1000 people left in theory, you could -- you could take --

CHAIRMAN CARACCIOLO:

But as a practical matter, you cannot go out and administer civil service examinations because notices have to be given, exams have to be scheduled, tests have to be marked, lists have to be established, individuals on that list have -- would be hired. How much time from beginning to end does it take us to fill some of these positions or the majority of these positions?

MR. WEISS:

It depends. If you're talking about the low level positions; account clerk typist, account clerk, you know --

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CHAIRMAN CARACCIOLO:

How many of these 2383 are mid-management and upper level management positions?

MR. REINHEIMER:

We have the information on a per title basis. We didn't do analysis on it.

CHAIRMAN CARACCIOLO:

How many are exempt employees.

MR. REINHEIMER:

I don't have that summarized. We can get that information.

CHAIRMAN CARACCIOLO:

That would be very important before I would consider this. I want to see who's eligible and who may not be here in three months, and how we're going to deal with the delivery of services.

MR. REINHEIMER:

Well, attached to our report is a title by title --

CHAIRMAN CARACCIOLO:

I saw that. I saw the title, but how many are exempt? Because I see a number of people who advocate for this are in the middle and upper management by virtue of their longevity and years of service, and I respect that. But we have a responsibility as lawmakers to make sure that the services that the public pays for through their property taxes are delivered and delivered in a timely and a proper way.

MR. REINHEIMER:

In general, 30% of employees are eligible for this. Generally from my analysis, I would say when you look into upper management because those are more senior employees, that you're going to approach 50%.

CHAIRMAN CARACCIOLO:

Fifty percent.

MR. REINHEIMER:

Would be eligible. That are some titles that are unique titles where if you look at them, there's one person in that title and that person's eligible, because those are usually upper management titles. So generally when you're talking upper management, you're going to have a higher -- higher number of eligible people -- a higher percentage would be eligible to take this early retirement.

CHAIRMAN CARACCIOLO:

Ken, here's where I'm going. You know, when we talked to DPW last week during Capital Budget hearings, we learned that there is a three year -- was it three or five year -- three year backlog in Capital Program and Budgets. One of the things that the Legislature's requesting right now is that the department prepare for the Legislature before we adopt a Capital Budget next week a list of priority projects that it can actually carry out and perform as opposed to work that's always been a wish list of projects that look good, sound good, but just that, promises that may not be kept in a

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time frame for which we in the public expect them to be delivered. It's an issue that comes back in this context because in DPW according to this chart, they're looking at almost 30% of the work force that's eligible to participate. And if that's the case and only half of the 30%, 15% and some of those individuals in very key positions leave County service, the void that remains takes time to fill. And again, we get back to the how we're going to deliver those services? How are we going complete those Capital Projects? How are we going to do all of the things that DPW does? And that's only one aspects of what DPW does. I mean, -- these -- these are questions I have, and I don't want to belabor the point at the Budget Committee, but I think there's oftentimes a rush to judgments to do the right thing by County employees, and I certainly share that -- that viewpoint. However, I think we also have to think about doing the right thing for the tax payers so that we don't hypothetically fool ourselves into thinking that there's going to be this \$80 million in savings over five years. Because what I'd real like to see Budget Review do before I vote on this is go back and -- and analyze the previous programs and what they projected in 1995 as cost savings and what -- what -- what the projection was and what the reality was. Does Budget Review -- have you done that?

MR. REINHEIMER:

Yes, we've looked at past Early Retirements Programs and --

CHAIRMAN CARACCIOLO:

Based on what you projected and what the actual savings was?

MR. REINHEIMER:

We've looked at projected compared to what the actual --

CHAIRMAN CARACCIOLO:

Is that in this report?

MR. REINHEIMER:

No, because it's like trying to grasp water, it's hard to tell when new titles are put in.

CHAIRMAN CARACCIOLO:

Ah, see I knew that, and that's where I was going next, because titles that are eliminated come back in another -- another context, and it's very hard to track real cost savings.

MR. REINHEIMER:

Right. So it's virtually impossible to come up with an objective number to say this is the savings that has resulted from early retirement. One of the ways that we have looked at it is the total number of positions before and after an early retirement, and how long the number of filled positions stayed at a certain level. For two programs, it was about 18 months before the number of positions met or exceeded what the number of filled positions was before the early retirement. It's -- the success of the savings depends on how well we manage filling positions and administering the budget and -- and setting a policy for new hires.

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CHAIRMAN CARACCIOLO:

If you look at the -- you said this report contains how many previous Early Retirement Programs?

MR. REINHEIMER:

The report doesn't, we've looked at it. Okay. And we've tried to objectively come up with what the success or the savings was on a particular program, but that's really almost impossible to do objectively because of the changing of titles and promotions and the movement of staff. It's hard to say was a position put in the budget because somebody left or because there's a new need. So it's hard to quantify that.

CHAIRMAN CARACCIOLO:

Ken, do you how much County payroll expenses have increased in the last four years on a percentage basis?

MR. WEISS:

No, I mean, it's something we could figure out, but --

CHAIRMAN CARACCIOLO:

I believe it's in the area of 40%, 4-0 percent. That's way in excess

of the cost --

MR. WEISS:

I don't believe that at all.

CHAIRMAN CARACCIOLO:

I have -- I have information from the Budget Review Office that says it's 40%. Now, I'll be happy to share that with you. That said, when I hear of numbers like that, I'm sitting here saying to myself here we go again. We're projecting 80 to \$120 million in savings, which I don't believe will ever be realized, and the reason why it wouldn't be realized is because we have these machinations of -- making it next to impossible to really track whether or not these programs work or not. And we have had increases, employee salary increases that have far outpaced the cost of living. So when you put those two factors together, I'm a sceptic that what this report says and what other have said will actually come to pass. So I would like to request from you, Lance, the information as best you've been able to tabulate it on the previous -- and I'd like copies of the original Budget Review Reports for '95 and the other years that we adopted the Early Retirement Program so that we can retrospectively look out and let's see what you said was going to happen. It's almost like, you know, the people on Wall Street, you know, they forecast and they make these projections on a daily basis and people tune in and read and watch and -- but nobody ever goes back to check their track record. The average investor has a better track record than a Wall Street analyst, am I right about that, Ken? That's a fact. Okay. All right. So Lance, if you could do that --

MR. REINHEIMER:

I can get the previous reports, that's easy. We -- I'm not necessarily positive that we have the actual cost savings comparison formally done for those programs. I'll go back through the records, go back through the files and see what we have. I know that every

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time one is done that we go back in and look at results. But to come up with a savings compared to projection, I don't know if that's what we have, but I'll get to you what we have.

CHAIRMAN CARACCIOLO:

One of the easy ways to do that is if you look a payroll expenses say in 1995, and let's say they were \$200,000,000 for non-uniformed employees and today it's \$400,000,000, and those are just numbers, I don't know if those are the actual numbers, but I know the \$400,000,000 based on what Ken said early is the current number. So I think if you go back and just do it in terms of gross numbers it won't be hard to calculate, so that we're saying we're going to save in 80 to 120 million in five years, based on the recent history of salary increases, I'm not optimistic that that will ever be realized. It

helps the short term, I don't think anyone would argue that. Short time, there is -- there is a positive impact. And I would agree that, you know, short term there is a positive impact, but I think it's delusional to think long term there will be the same. Okay. If the members of the committee that are not present would return, we will pick up where we left off on the agenda.

1591-2002. Amending the 2002 Operating Budget and transferring funds for the ARC Adult Community Alternative Sentencing Program.
(CARPENTER)

CHAIRMAN CARACCIOLO:

Okay. Counsel, on 1591 could you just -- we'll get to you in a minute, Andrew -- 1591 just give me a summary of that resolution.

MR. SABATINO:

Okay. 91 would transfers \$21,464 from Custodial Services in Public Works to Probation for the Adult Community Alternative Sentencing Program, which apparently doesn't have any funding right now.

CHAIRMAN CARACCIOLO:

Okay. Mr. Weiss, do you have any objection to this resolution?

MR. WEISS:

It's questionable based on current budget projections whether there's sufficient money in -- in 161110, because we have a resolution to hire six security guards using the same appropriation within the department. So --

CHAIRMAN CARACCIOLO:

So in terms of the offset, you would not agree on the presentation that this offset could be used without effecting your own initiative.

MR. WEISS:

That's correct.

CHAIRMAN CARACCIOLO:

Okay. All right. Perhaps we could notify the sponsor to work with Budget Review and the Budget Office in trying to identify another offset on 1591. Okay. Andrew, did you want to does 1568?

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LEG. CRECCA:

I know we did the tabled resolutions and we did 1587. I apologize, Mr. Chairman, but there was an Omnibus Capital Budget work group session in the back, and I was -- that's where I was, and David was there also, Bishop. Did we -- so we haven't voted on 1568, 1590.

CHAIRMAN CARACCIOLO:

We tabled 1587, 90 and 91. You had an earlier question about 68, and

now everyone's present, we can --

LEG. CRECCA:

Okay. I was here for those -- those -- 90 and 91, I assume.

CHAIRMAN CARACCIOLO:

Yes.

1586-2002. Requiring child product recall notification at child care facilities. (CRECCA)

LEG. CRECCA:

All right. On 1568 -- yeah, just so everyone is clear on what that is, that's the child product recall notification. The Child Care Council would be the contract agencies so to speak under the bill. I had investigated doing -- implementing this bill through Consumer Affairs or Social Services. It was more cost effective to do it through an outside agencies, namely the Child Care Council, who's already under contract with the County for various services. And there is some overlap and duplication of services. And that's why -- one of the reasons among others why it was more cost effective to do it that way. The cost this year to effectuate the bill is 6000 -- to implement it is \$6750. I just want to make everyone aware too that the annual cost of this is about \$27,000; is that right, Counsel?

MR. SABATINO:

Twenty-six, something like that.

LEG. CRECCA:

So that if you put this program into effect, it is a recurring cost.

CHAIRMAN CARACCIOLO:

Mr. Weiss, do you wish to comment?

MR. WEISS:

I don't generally comment on the -- on the particular programs, just on the offsets.

CHAIRMAN CARACCIOLO:

I notice this is the retirement account.

MR. WEISS:

This is the retirement account.

CHAIRMAN CARACCIOLO:

Which in the past you seem to have some trepidation about using.

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MR. WEISS:

Because, you know, we don't get our rates until the end of the June.

We get estimated rates, then we get a bill in December. If the stock market performance is any indication of what our bill is going to be, I'm a little concerned.

CHAIRMAN CARACCIOLO:
I was just raise that issue.

LEG. BISHOP:
Well, motion to -- motion to table. And I also think that the most likely path for this is in next year's Operating Budget. As I've said many times, when there are new initiatives brought up in the middle of the year, often this committee turns it down, but in the Omnibus budget process they find greater success. And this would seem to be a prime candidate for that.

LEG. CRECCA:
Well, you know, again, I would just ask my colleagues to just take -- if you want table it this cycle and just --

LEG. BISHOP:
Motion to table.

LEG. CRECCA:
-- then just take a look at it again, because the program I think is a very good program.

LEG. BISHOP:
It sounds worthy.

LEG. CRECCA:
And I think that we can get this implemented for September and have it available for the last quarter of the year. So I'll lobby you all individually outside of committee.

CHAIRMAN CARACCIOLO:
And you'll second the motion. Great. Motion to table. All in favor? Opposed? Abstentions. 1568 is TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1593-2002. Amending the 2002 Operating Budget and transferring funds for the Child Care Council of Suffolk.

CHAIRMAN CARACCIOLO:
And we have before us 1593. Explanation.

MR. SABATINO:
1593 is to add \$200,000 to that enhanced day care wage initiative from last year.

CHAIRMAN CARACCIOLO:

And the offset?

MR. SABATINO:

5-25-5 account, the pay-as-you-go account.

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MR. WEISS:

Wait a minute. The one that I analyzed had it coming from welfare fund contributions.

LEG. BISHOP:

In either case, Mr. Chairman, this is an example of a program which --

MR. SABATINO:

There's a corrected copy, that why it's --

LEG. BISHOP:

This is an example of a program I --

MR. WEISS:

Do I have the right one?

MR. SABATINO:

The corrected copy is made --

LEG. BISHOP:

Can I table the damn thing so we can move on the two of you? It's an example of a program I support, my caucus supports, but we do not amend the budget in the middle of the year unless there's exigent circumstances. Motion to table.

CHAIRMAN CARACCIOLO:

Second. All in favor? Opposed? Tabled (VOTE: 3-0-0-1) (Not Present; Leg. Cooper) 1593, unanimous.

1594-2002. Amending the 2002 Adopted Operating Budget appropriating funds for various contracted agencies. (GULDI)

CHAIRMAN CARACCIOLO:

1594, same motion -- oh, no. This is the Guldi resolution that I made inquiry of earlier. Ken, on 1594 there's a question as to not only the offset of Social Security, but maybe this is better addressed to Counsel, but why -- was there a reason why these particular entities were not included in the other resolutions that dealt with not for profit contract agencies?

MR. SABATINO:

You have to speak to Legislator Guldi. I mean, he's familiar with all the various entities, I'm not. I mean, I know who they are, but how they fit in --

CHAIRMAN CARACCIOLO:

Did you see the list?

MR. SABATINO:

I mean, the cooperative -- some of the them I think tend to be a little bit more than district wide, so that maybe part of the issue. For example, you've got the Peconic Baykeeper and you've got day care, and you've got Cooperative Extension Marine Program, you've got -- these are not the kind of initiatives you normally associate with --

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LEG. BISHOP:

Motion to table.

CHAIRMAN CARACCIOLO:

Motion by Legislator Bishop, seconded by the Chair. All in favor? Opposed? TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

I suggest you discuss that with Legislator Guldi there Legislator Bishop.

LEG. BISHOP:

Sure. Absolutely.

LEG. FISHER:

Mr. Chairman.

CHAIRMAN CARACCIOLO:

One minute. Did you want to discuss Legislator Fisher your resolution, 1593?

LEG. FISHER:

1593. I was hoping that you might reconsider that.

CHAIRMAN CARACCIOLO:

I know you were here earlier. I see you've returned. By all means -- it's been tabled.

LEG. FISHER:

I was in the lobby, I didn't know that your committee had reconvened. I'm here to ask that you pass 1593. We have been very successful in the Child Care Enhancement Program, and we have been so successful that we have used up the funds that we had provided for that program, actually not in this year's budget, but in last year's budget. Because we had run into problems in the management area of the program, we were able to bring forward to 2002 some of the remaining monies that were earmarked for 2001. And there had been money in 2001 budget, but because of the -- if you recall, the County Executive's veto of the management portion of that, the program couldn't really

start until very late in 2001. And there was \$300,000 left when we came into 2002. Okay? Operating Budget. At this point, however, because we have had 505 active participants, day care workers, in the County who have taken advantage of the enhancement, the Child Care Provider Enhancement, we need additional funds to continue the program. We have been attempting to create an EARNs program, it's an acronym and Janet could help me with the letters because I have a problem remembering what the letters of that acronym stand for. But we're trying to raise corporate funds to help us to continue the program, but it takes a little bit of time to build up steam and build up their corporate partnership. So we do ask, and Budget Review did find an offset, so that we don't have the program die before we can build up funds, and we were hoping that you would approve of this and to have the -- the continuation of the program. It's \$200,000.

LEG. CRECCA:

Does the program -- did the program run out of money already, is that what the problem is?

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LEG. FISHER:

It's run out of money, yes.

LEG. CRECCA:

And we haven't even hit being before the halfway year mark?

LEG. FISHER:

Well, actually, we are at the half year point, and most of the teachers who have applied for it have already applied. It's -- you don't have a lot of people applying at the end of the year where it would be -- Janet, do you think you can help? Would you mind if I bring Janet up to answer some of these questions, because she is the one who's administering it through the Child Care Council? I'm sorry, Mr. Chair, we were here very early for the Budget meeting, but it hadn't started yet. She'll be brief, right, Janet?

MS. WALLERSTEIN:

Yes, very. Actually, out of the -- out of the -- what this program -- how this program works is that the -- they receive a check, if they're eligible, the first half of what -- what their allocation is. The second check comes after they have been in service for six months. So it's -- it's a graduated -- it's a step program, so that it -- okay. You want to ask, and then I'll answer.

LEG. BISHOP:

Well, Legislate Fisher.

LEG. FISHER:

Yes, I'm sorry.

LEG. BISHOP:

How much is in this program? And when we budgeted -- the reason this committee was created is to say no to adjusting the Operating Budget in the middle of the year. It's a committee designed to prevent the type of bills that come before it.

LEG. FISHER:

Although we really haven't drawn any money in actuality from 2002 budget, and we're asking for this offset so that the program can -- can survive.

LEG. BISHOP:

So what happened is that it's not that the plan has run out of money, it's just been -- it's more popular than you anticipated when we did the Operating Budget?

LEG. FISHER:

No. It's as popular as we had anticipated, but there had been no indication that there would be money allocated for it. So we just used what we had left over from the year before. And we weren't --

MS. WALLERSTEIN:

It started late.

LEG. BISHOP:

So the 2002 Budget had no appropriation, we just rolled over the 2001

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Budget.

LEG. FISHER:

Yes.

MS. WALLERSTEIN:

Right.

LEG. BISHOP:

Okay. So if we -- your argument is if we appropriated this, we're just continuing something that we started in 2001.

LEG. FISHER:

Correct.

LEG. BISHOP:

But in 2003, next year, how large an appropriation will we need to sustain?

LEG. FISHER:

What we're trying to do is evaluate what kind of corporate help we'll be getting so that we can determine that before we're ready to look at

the Operating Budget for 2003.

LEG. BISHOP:

So this would be the maximum appropriation you believe next years --

LEG. FISHER:

\$200,000.

LEG. BISHOP:

No.

LEG. FISHER:

No, that wouldn't be the maximum.

LEG. BISHOP:

Two hundred plus 200, 400,000 would be the maximum, and next year's level would be --

MS. WALLERSTEIN:

550 is what we looked at --

LEG. FISHER:

550 is what we had started out at.

MS. WALLERSTEIN:

And the -- and the -- what has happened also the state has -- has an initiative that has upped the anty so we deduct what they get from the state into this so that we will have more funds, I think, next year if the state --

LEG. BISHOP:

Now does this bring people above the living wage level? Can you use that --

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LEG. FISHER:

I have a chart here that it does help with people who are right around that border area that you've been looking at with the living wage.

MS. WALLERSTEIN:

I have another copy here, if you want.

LEG. BISHOP:

I mean, do you know approximately what per -- because there's another -- starting July 1st, the living wage legislation takes affect. So those people automatically come up, an they're eligible for a different --

LEG. FISHER:

But not everyone who is a child care provider would be effected by the

Living Wage Law.

LEG. BISHOP:

I know, but it would be that much less that you need to fund at this point.

MS. WALLERSTEIN:

No. This -- this is for -- and I think we've had this discussion before, one is for income. This is for -- to retain skilled child care workers. And if you also look at those papers, we have determined that after people who have received their first check, when we go back to see who has remained, we find that only one provider left to go to another center, two providers moved out of states, two providers are on worker's compensation, and one provider is on maternity leave. So it has effected the -- the providers to stay. The high turn overrate in child care is enormous, which is very damaging to children. So this is for -- not for raising income level in terms of labor, but in terms of skilled professional workers. And this is -- because it is so critical to have people who are trained well to be able to stay in the field. So this is an incentive --

LEG. BISHOP:

When you say skilled professional workers, those are people who earn more than the living wage, is what --

LEG. FISHER:

No. They are skilled professional workers, but they don't have wages that reflect that.

LEG. BISHOP:

So my point is if their salaries are going to be --

LEG. FISHER:

This isn't based on salary. It's based on education and training, is what Janet is saying.

MS. WALLERSTEIN:

They have -- they have their degrees, we tried to bring up the high quality of child care. This -- this helps keep those people in the field that why would they go to school if they're not going to be compensated. So this -- this gives them the incentive to train, to

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remain in the field, to -- to go up a career ladder.

LEG. FISHER:

Okay. It is -- but it's a salary enhancement, but it's not based on salary, it's based on education. I'm hoping that you can approve this so that the program can go on so that we don't run out of money. Although there's another meeting, and I understand that, during the

summer I don't think you have as many people who would be applying. We need to have the money now. And that's why we're asking that you approve it so that we can take it to the full Legislature next week.

CHAIRMAN CARACCIOLO:

We had a motion to table. Is there any motion to reconsideration?

LEG. BISHOP:

I'll make a motion to reconsider.

CHAIRMAN CARACCIOLO:

Motion to reconsider by Legislator Bishop. Is there a second?

LEG. CRECCA:

On the motion before I second it. Can we -- I mean, what's the -- we have a cycle coming up in two weeks, don't we?

CHAIRMAN CARACCIOLO:

Yep.

LEG. CRECCA:

Why does two weeks make a difference?

LEG. FISHER:

Well, because we have people who are waiting who have applied. And how close are we to being out of money, Janet?

MS. WALLERSTEIN:

We're out.

LEG. FISHER:

We're out of money. And we have applications, and we want to be able to send people -- we don't want to turn people away who have gone for their certification, who have gone for training in -- to take care and teach young children. And if you know anything about teaching, about the profession, most people who are in jobs now are trying to complete whatever they are doing by June. So we've got the applications, at least we can have natural stop to it after what -- after we have paid the \$200,000 that we need to pay for those people who have applied. And it is an offset that Budget Review was able to find. I just want to be able to fulfil our promise to those people who have applied, and we -- it was a successful program, and it's success is what has put us at this point where we need \$200,000 more.

CHAIRMAN CARACCIOLO:

Before you speak, Legislator Crecca, let me state for the record that I did not support this initiative initially. I continue to feel the same way. We are talking about individuals who are working in the private sector who taking care of children of behalf of working

parents in many case, and private sector market forces should be responsible for the salary and compensation of these individuals and not putting us in a position of providing a public subsidy for private, you know, services.

LEG. FISHER:

Although, Michael, if we look at economic development we use public monies all the time to provide for private entities to work in -- in our region, to work in our County. And this is a very important piece of economic development, because when companies are attracting people to come and work here in Suffolk County, when you were attracting young families, it's difficult enough for young families to be able to live here where there -- where there affordable homes. At least they should be able to find child care for their children where both parents have to work. People would be attracted to this region if they knew that we were family-friendly region that helped to provide quality child care for their children. It is much easier -- you know, I was a person who used to read Working Mother Magazine for years as a working mother. And it really meant a lot when I would look at regions and saw that there were areas where -- that were family friendly, companies that provide child care. We have a model in Computer Associates where they're a big enough company to afford that. But many small struggling companies that would like to attract young workers, that would like to attract young families can't afford to provide child care centers in their units -- in their places of work. But we have a social responsibility, and I think part of our economic incentive -- Alice Amrhein has been working with us to try to help us develop the EARNS Program for that very reason. And I've been speaking to Chambers of Commerce and large groups who agree, including the Huntington Chamber of Commerce that this is an economic development issue.

LEG. CRECCA:

Can we hear from -- and I dont mean -- I'm sorry, Mr. Chairman.

CHAIRMAN CARACCIOLO:

Well, I do have a couple of other questions. What is the overall numbers of employees that are employed in this? Can I have an answer to my question.

MS. WALLERSTEIN:

There are 505 active participants that are eligible.

CHAIRMAN CARACCIOLO:

I'm sorry, I couldn't hear you.

MS. WALLERSTEIN:

Five hundred and five active participants who are eligible. Not everybody's eligible for this. They have to maintain or achieve a

certain amount of credentials and -- and education in order to --

CHAIRMAN CARACCIOLO:

And on an individual basis, how much is this additional subsidy provide them in wages?

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MS. WALLERSTEIN:

Well, it depends on their level. For a CDA, which is the lowest level, it's an \$1500 subsidy, and it goes you be to 4000. However, it's paid in parts, and it is dependant upon them staying where they are working in order to receive it.

CHAIRMAN CARACCIOLO:

What assurances do you have that these individuals were retained and return next school year?

MS. WALLERSTEIN:

There -- there is no assurance other than the fact that we know that there are -- that there are only five out of the 505 employees that have for some reason other than salaries have left. And that's a pretty good track record. The New York State, you know, the Governor has supported this kind of initiative as well.

CHAIRMAN CARACCIOLO:

I certainly appreciate and respect the sponsor's viewpoint. We just -- given the new order of priorities that this County is faced with and will be faced with going forward, I think we have to consider all of our needs an reprioritize those needs, because a \$200,000 increase right now becomes something more than that next year. And I know you were present, some others weren't, we were talking earlier about future state impacts on County Operating Budgets, but the outlook is not bright. And we have to start being very careful of how we expend the resources we do have. So there is a motion to reconsider. All in favor say aye. Aye. It's now before us again. Is there a motion to approve?

LEG. BISHOP:

I'll make the motion.

CHAIRMAN CARACCIOLO:

Motion by Legislator Bishop to approve. Is there a second? No second. Is there a -- motion to table by Legislator Bishop, second by the Chair. All in favor? Opposed? TABLED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

Thank you. We now go back to the agenda. Thank you.

1636-2002. Amending the 2002 Operating Budget transferring funds for various not for profit contract agencies. (CARACAPPA)

CHAIRMAN CARACCIOLO:

1636 is before us. Counsel, could you just give us a brief explanation?

MR. SABATINO:

1636 is legislation to take \$15,000 that Legislator Caracappa had previously allocated under the legislative initiative resolution to Grace Presbyterian Church. Now it's going to reallocate it amongst five different organizations. The same 15,000, but it's broken up among five or six organizations.

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CHAIRMAN CARACCIOLO:

Mr. Weiss, do you have any objections? Hearing none, I'll make a motion to approve, seconded by Legislator Bishop. All in favor? Opposed? Abstentions? APPROVED unanimously. (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

1641-2002. Transferring contingent funding for various contract agencies. (PHASE II) (PRES. OFFICER)

CHAIRMAN CARACCIOLO:

1641, explanation.

MR. SABATINO:

This is Phase II of the legislative initiative account. The one you saw before was modifying Phase I. This just picks up those, you know, those initiatives which were not funded in Phase I. There's a whole variety of them. They go on for three or four pages.

LEG. BISHOP:

Motion to approve.

LEG. CRECCA:

Second.

CHAIRMAN CARACCIOLO:

Motion to approve, seconded by Legislator Crecca. All in favor? Opposed? Abstentions? Unanimous. APPROVED (VOTE: 3-0-0-1) (Not Present; Leg. Cooper)

Motion to adjourn, second. We stand adjourned. Thank you.

(*THE MEETING WAS ADJOURNED AT 3:15 P.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY